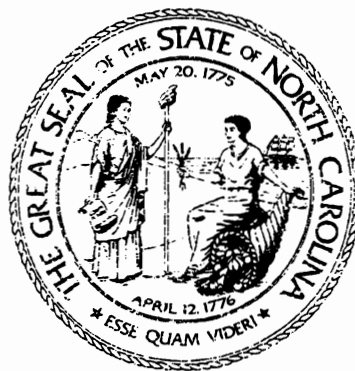


③ Law
School
Acquisitions

JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE



REPORT TO THE
2005 SESSION OF THE
2005 GENERAL ASSEMBLY
OF NORTH CAROLINA

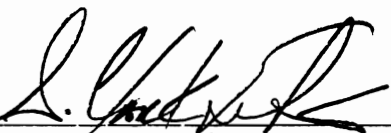
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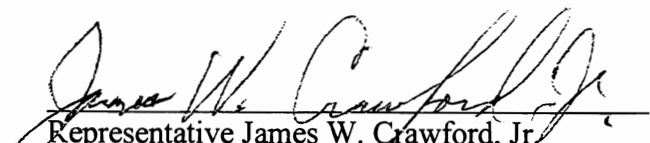
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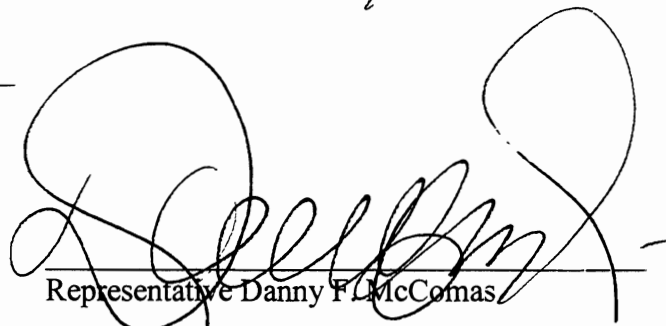
January 20, 2005

TO THE MEMBERS OF THE 2005 GENERAL ASSEMBLY:

The Joint Legislative Transportation Oversight Committee herewith submits to you for your consideration its January 2005 report. The report was prepared by the Joint Legislative Transportation Oversight Committee pursuant to G.S. 120-70.51(b).



Senator Clark Jenkins

Representative James W. Crawford, Jr.

Representative Danny F. McComas
Cochairs

JOINT LEGISLATIVE TRANSPORTATION
OVERSIGHT COMMITTEE

COMMITTEE PROCEEDINGS

August 3, 2004

The first meeting of the Joint Legislative Transportation Oversight Committee following the 2004 Session took place at 1:00 p.m. August 3, 2004 in Room 1228 of the Legislative Building.

The Committee heard presentations from: Secretary Norris Tolson, of the Department of Revenue, on funds from the Department's Fuel Tax Action Plan; and David Rose, Dye Management Group, Inc., on its NCDOT project delivery study.

October 11, 2004

The second meeting of the Committee following the 2004 Session took place October 11, 2004 at 1:30 p.m. in Room 1228 of the Legislative Building.

The Committee heard presentations from: Len Sanderson, State Highway Administrator, NCDOT, on the project delivery study implementation; Robert Cooney, Dye Management, Inc., on the status of Highway Trust Fund projects; Mark Foster, Chief Financial Officer, NCDOT, on e-procurement at NCDOT; Laura Cove, Group Manager, Technical Services Group, NCDOT, on NCDOT's multi-modal Transportation Plan; Grover Nicholson, Chief, Underground Storage Tank Section, DENR, on the Leaking Underground Storage Tank Cleanup Fund; and David King, Deputy Secretary for Transit, NCDOT, on the ferry division dredging investigation.

November 9, 2004

The third meeting of the Committee following the 2004 Session took place November 9, 2004 at 1:30 p.m. in Room 1228 of the Legislative Building.

The Committee heard presentations from: Steve Varnedoe, Chief Engineer, Operations, NCDOT; John Muth, Deputy Director for Development and Chief Development Officer, CATS, on the Charlotte Area Transit System; John Claflin, General Manager, TTA, on the Triangle Transit Authority; Mike Kozak, Assistant Director, Public Transportation Division, NCDOT, on the Amendment to the State's Full Funding Grant Agreement with the City of Charlotte for the South Corridor Light Rail Project; Mark Foster, Chief Financial Officer, NCDOT, on e-procurement at NCDOT; Betsy Bailey, Executive Director, North Carolina Public Transportation Association, on transportation-related drug and alcohol tests; and Reginald Watkins, Senior Deputy Attorney General, on the NCDOT Franklin County land issue.

**MEMBERSHIP OF THE
JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE
2003-2004
G.S. 120-70.50**

Pro Tempore's Appointments

Sen. Samuel Clark Jenkins Co-Chair
North Carolina General Assembly
Legislative Office Building, Rm 409
Raleigh, NC 27603-5925
(919) 715-3040

Sen. Philip Edward Berger Member
North Carolina General Assembly
Legislative Building, Rm 1121
Raleigh, NC 27601-2808
(919) 733-5708

Sen. Robert Clarence Carpenter Member
North Carolina General Assembly
Legislative Office Building, Rm 517
Raleigh, NC 27603-5925
(919) 733-5875

Sen. Hamilton Cowles Horton, Jr. Member
North Carolina General Assembly
Legislative Building, Rm 1117
Raleigh, NC 27601-2808
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Sen. David W. Hoyle Member
North Carolina General Assembly
Legislative Office Building, Rm 300A
Raleigh, NC 27603-5925
(919) 733-5734

Sen. John Hosea Kerr, III Member
North Carolina General Assembly
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Raleigh, NC 27603-5925
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Speaker's Appointments

Rep. James Walker Crawford, Jr. Co-Chair
North Carolina General Assembly
Legislative Building, Rm 1301
Raleigh, NC 27601-1096
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Rep. Daniel F. McComas Co-Chair
North Carolina General Assembly
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(919) 733-5786

Rep. Harold J. Brubaker Member
North Carolina General Assembly
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Raleigh, NC 27601-1096
(919) 715-4946

Rep. Lorene Thomason Coates Member
North Carolina General Assembly
Legislative Office Building, Rm 633
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(919) 733-5784

Rep. E. Nelson Cole Member
North Carolina General Assembly
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Raleigh, NC 27601-1096
(919) 733-5779

Rep. Robert Mitchell Gillespie Member
North Carolina General Assembly
Legislative Building, Rm 1008
Raleigh, NC 27601-1096
(919) 733-5862

LEGISLATIVE PROPOSALS

At its January, 2005 meeting, the Committee approved for transmittal to the 2005 Session of the General Assembly the following proposals:

Proposal #1

DOT Minority/Women Businesses Program

Draft # 2005-RW-3

This proposal revises DOT's disadvantaged, minority, and women's business goals program based on a recently completed disparity study and applicable court decisions.

Section 1 of the proposal replaces the current 10% minority and 5% women contract participation goal with a requirement for a study every 5 years of DOT's utilization of minority-owned and women-owned businesses. The proposal requires DOT to implement a specific program to remedy evidence of discrimination documented by the study, including "aspirational" minority-owned and women-owned contractor utilization goals. The proposal requires DOT to report semiannually to the Joint Legislative Transportation Oversight Committee on the utilization of disadvantaged minority-owned or women-owned businesses. The proposal provides for a sunset of August 31, 2009.

This proposal would become effective when it becomes law.

Proposal #2

DOT Retired Engineers

Draft # 2005-RW-4

Section 1 of the proposal removes the cap on post-retirement earnings for retired engineers and engineering technicians.

This proposal would become effective July 1, 2005.

Proposal #3

GARVEE Bond Issuance

Draft # 2005-RW-5

Section 1 of the proposal directs the Secretary of Transportation and the State Treasurer to form a committee to plan for implementation of the act and to submit a report to the co-chairs of the Transportation Appropriations Subcommittee and co-chairs of the Joint Legislative Transportation Oversight Committee.

Section 2 of the proposal authorizes the Department of Transportation to issue GARVEE bonds or other eligible debt financing instruments to finance federal-aid highway projects. GARVEE bonds are Grant Anticipation Revenue Vehicles, authorized by federal law, that use anticipated future federal highway funds to finance highway project construction.

The authority to issue GARVEE bonds would become effective July 1, 2006. The implementation plan would be due prior to that, on March 1, 2006.

PROPOSAL #1

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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BILL DRAFT 2005-RW-3 [v.2] (12/2)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/28/2005 4:39:11 PM

Short Title: DOT Minority/Women Businesses Program.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REAFFIRM AND CLARIFY STATE POLICY CONCERNING
PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND
WOMEN-OWNED BUSINESSES IN HIGHWAY CONSTRUCTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-28.4 reads as rewritten:

"§ 136-28.4. State policy concerning participation by ~~disadvantaged~~ disadvantaged minority-owned and women-owned businesses in highway contracts.

(a) It is the policy of this ~~State~~ State, based on a compelling governmental interest, to encourage and promote participation by ~~disadvantaged~~ disadvantaged minority-owned and women-owned businesses in contracts let by the Department pursuant to this Chapter for the planning, design, preconstruction, construction, alteration, or maintenance of State highways, roads, streets, or bridges and in the procurement of materials for these projects. All State agencies, institutions, and political subdivisions shall cooperate with the Department of Transportation and ~~all other State agencies, institutions, and political subdivisions among themselves in all~~ efforts to conduct outreach and to encourage and promote the use of ~~disadvantaged~~ disadvantaged minority-owned and women-owned businesses in these contracts.

(b) ~~A ten percent (10%) goal is established for participation by minority businesses and a five percent (5%) goal for participation by women businesses is established in contracts let by the Department of Transportation for the design, construction, alteration, or maintenance of State highways, roads, streets, or bridges and for the procurement of materials for these projects. The Department of Transportation shall endeavor to award to minority businesses at least ten percent (10%), by value, of the contracts it lets for these purposes, and shall endeavor to award to women businesses at least five percent (5%), by value, of the contracts it lets for these purposes. The Department shall adopt written procedures specifying the steps it will take to achieve these goals. The Department shall give equal opportunity for contracts it lets without~~

- (1) "Disadvantaged business" has the same meaning as "disadvantaged business enterprise" in 49 C.F.R. § 23.62-26.5 or any subsequently promulgated replacement regulation.
- (2) "Minority" ~~has the same meaning as in 49 C.F.R. § 23.5~~ includes only those racial or ethnicity classifications identified by a study conducted in accordance with this section that have been subjected to discrimination in the relevant marketplace, and that have been adversely affected in their ability to obtain contracts with the Department.

(d) The Department shall report semiannually to the Joint Legislative Transportation Oversight Committee on the utilization of disadvantaged minority-owned businesses and women-owned businesses and any program adopted to promote contracting opportunities for those businesses. Following each study of availability and utilization, the Department shall report to the Joint Legislative Transportation Oversight Committee on the results of the study for the purpose of determining whether the provisions of this section should continue in force and effect.

(e) This section expires August 31, 2009."

SECTION 2. This act is effective when it becomes law.

PROPOSAL #2

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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BILL DRAFT 2005-RW-4 [v.2] (12/2)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/28/2005 4:40:00 PM**

Short Title: DOT Retired Engineers.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REMOVE THE CAP ON EARNINGS BY RETIRED DEPARTMENT OF
TRANSPORTATION ENGINEERS AND ENGINEERING TECHNICIANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-3(8) is amended by adding a new sub-subdivision to read:

"c1. The computation of postretirement earnings of a beneficiary under sub-subdivision c. of this subdivision who has been retired at least six months and has not been employed in any capacity with the Department of Transportation for at least six -months immediately preceding the effective date of reemployment shall not include earnings while the beneficiary is employed with the Department of Transportation as an engineer or engineering technician. The Department of Transportation shall certify to the Retirement System that a beneficiary is employed by the Department of Transportation as a retired engineer or retired engineering technician.

A 'retired engineer' or 'retired engineering technician' means a beneficiary of the Teachers' and State Employees' Retirement System of the State of North Carolina who has been retired at least six months, has not been employed in any capacity with the Department of Transportation for at least six months immediately preceding the effective date of reemployment, is determined by the Department of Transportation to have had satisfactory performance during the last year of employment, and who is employed as an engineer or engineering technician. A retired engineer or engineering technician shall be treated the same as a

PROPOSAL #3

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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BILL DRAFT 2005-RW-5 [v.3] (12/2)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/28/2005 4:42:32 PM**

Short Title: GARVEE Bond Issuance.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE STATE TREASURER TO ISSUE "GARVEE" GRANT ANTICIPATION REVENUE VEHICLE BONDS ON BEHALF OF THE DEPARTMENT OF TRANSPORTATION AND TO DIRECT THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION AND THE STATE TREASURER TO DEVELOP AN IMPLEMENTATION PLAN FOR ISSUANCE OF THE BONDS.

The General Assembly of North Carolina enacts:

SECTION 1. The Secretary of the Department of Transportation and the State Treasurer shall jointly form a committee to develop a plan to implement the provisions of this act. The plan shall address all financial, legal, and practical issues involved in issuing "GARVEE" bonds. The two Departments shall jointly submit their implementation plan to the cochairs of the Transportation Appropriations Subcommittee and the cochairs of the Joint Legislative Transportation Oversight Committee by March 1, 2006.

SECTION 2. G.S. 136-18 is amended by adding a new subdivision to read:

"(12b) To issue "GARVEE" bonds (Grant Anticipation Revenue Vehicles) or other eligible debt financing instruments to finance Federal-aid highway projects using federal funds to pay a portion of principal, interest, and related bond issuance costs, as authorized by 23 U.S.C. § 122, as amended (the National Highway System Designation Act of 1995, Pub. L. 104-59). These bonds shall be issued by the State Treasurer on behalf of the Department. The State Treasurer shall develop and adopt appropriate debt instruments, consistent with the terms of the State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes, for use under this subdivision. Prior to issuance of any GARVEE or other eligible debt instrument using federal funds to pay a portion of principal, interest, and related bond issuance costs, the State Treasurer shall determine (1) that the principal and interest of such debt

PROPOSAL #4

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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BILL DRAFT 2005-RW-6 [v.3] (12/2)

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1/28/2005 4:43:18 PM

Short Title: 8-Year Drivers License/Internet DL Renewal.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO AUTHORIZE EIGHT-YEAR DRIVERS LICENSES AND INTERNET
RENEWAL OF DRIVERS LICENSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-7(f) reads as rewritten:

"(f) Duration and Renewal of Licenses. – ~~Expiration and Temporary License.~~
~~The first drivers license the Division issues to a person expires on the person's fourth or subsequent birthday that occurs after the license is issued and on which the individual's age is evenly divisible by five, unless this subsection sets a different expiration date. A first drivers license may be issued for a shorter duration if the Division determines that a license of shorter duration should be issued when the applicant holds a visa of limited duration issued by the United States Department of State. The first drivers license the Division issues to a person who is at least 17 years old but is less than 18 years old expires on the person's twentieth birthday. The first drivers license the Division issues to a person who is at least 62 years old expires on the person's birthday in the fifth year after the license is issued, whether or not the person's age on that birthday is evenly divisible by five.~~

Drivers licenses shall be issued and renewed pursuant to the provisions of this subsection.

- (1) Duration of license for persons under age 18. – A full provisional license issued to a person under the age of 18 shall expire on the person's 21st birthday.
- (2) Duration of license for persons at least 18 years of age or older. – A drivers license issued to a person at least 18 years old but less than 38 years old expires eight years after the date of issuance. A drivers license issued to a person at least 38 years old expires five years after the date of issuance.

PROPOSAL #5

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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BILL DRAFT 2005-RW-7 [v.3] (12/2)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
1/28/2005 4:43:56 PM

Short Title: Interest on Highway Condemnation Awards.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE RATE OF INTEREST ALLOWED ON HIGHWAY
CONDEMNATION AWARDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-113 reads as rewritten:

"§ 136-113. Interest as a part of just compensation.

To said amount awarded as damages by the commissioners or a jury or judge, the judge shall, as a part of just compensation, add interest at the ~~legal rate as provided in G.S. 24-1~~ average rate earned by the State Treasurer on investments within the State's Short Term Fixed Income Investment Fund during the month preceding the date of judgment on said amount from the date of taking to the date of judgment; but interest shall not be allowed from the date of deposit on so much thereof as shall have been paid into court as provided in this Article."

SECTION 2. This act becomes effective January 1, 2006, and applies to condemnation actions filed on or after that date.

PROPOSAL #6

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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BILL DRAFT 2005-RW-8 [v.2] (12/2)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

1/28/2005 4:40:53 PM

Short Title: DOT Driveway Connection Changes.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO AMEND THE AUTHORITY OF THE DEPARTMENT OF
TRANSPORTATION CONCERNING DRIVEWAY CONNECTIONS TO STATE
HIGHWAYS .

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-18(29) reads as rewritten:

"§ 136-18. Powers of Department of Transportation.

"(29) The Department of Transportation may establish policies and adopt rules about the size, location, direction of traffic flow, and the construction of driveway connections into any street or highway which is a part of the State Highway System. The Department of Transportation may require the construction and public dedication of acceleration and deceleration lanes, ~~and traffic storage lanes~~ lanes, traffic control devices, and medians by others for the driveway connections ~~into~~ onto any United States route, or North Carolina route, and on any secondary road route ~~with an~~ where the combined existing traffic and projected traffic generated by the proposed development meets or exceeds an average daily traffic volume of 4,000 vehicles per day or more. ~~if, in the opinion of the Department of Transportation, an unsafe condition will be created."~~

SECTION 2. This act becomes effective July 1, 2005.

COMMITTEE RESOLUTION

Committee Resolution

Study of Acceleration of Construction of the Garden Parkway and Cape Fear Skyway

Joint Legislative Transportation Oversight Committee

January 20, 2005

The Joint Legislative Transportation Oversight Committee requests that the Department of Transportation and Department of State Treasurer jointly study and develop a proposal to provide appropriate debt financing to accelerate the construction schedules for the Garden Parkway and Cape Fear Skyway projects identified in G.S. 136-180(a). The study shall address financial, legal, and practical issues involved in various financing options including special indebtedness under Article 9 of Chapter 142 of the General Statutes, revenue bonds supported by toll revenues, and other appropriate types of debt.

The Committee requests that the two Departments jointly report their findings and recommendations, including any proposed legislation, by April 15, 2005, to the cochair of the Joint Legislative Transportation Oversight Committee.

**HIGHWAY TRUST FUND
STUDY COMMITTEE REPORT
AND
APPENDIX**

Highway Trust Fund Study Committee
S.L. 2003-284, Sec. 29.12

Findings and Recommendations

- **Complete the Projects in the Original Highway Trust Fund**
The original Highway Trust Fund (HTF) legislation created a mechanism to plan and finance an important part of the state's transportation infrastructure and to enhance economic development throughout the State.
S.L. 2004-124 Section 30.21 specifies that priority in use of Highway Trust Fund funds shall be given to those routes listed in the original Highway Trust Fund intrastate project list. (Appendix, Part 1)
- **Recognize the Need for Change**
The changes made to the structure of the Highway Trust Fund by the General Assembly in 2003 and 2004 were a recognition that changes in development and travel patterns had created a need to make additional projects eligible for inclusion in the Highway Trust Fund and for the Board of Transportation to have greater flexibility in the design of HTF projects. (Appendix, Part 1)
- **Improve Project Delivery**
Improvements are needed in project delivery by DOT. A study commissioned by the General Assembly found a number of shortcomings and recommended improvements. DOT has been studying these recommendations and developing an implementation plan. The General Assembly should continue to monitor progress and encourage improvements in the Department's project delivery process. (Appendix, Part 5)
- **Provide a Balanced Transportation System**
A balanced transportation system is necessary to provide transportation alternatives to all North Carolinians. The original Highway Trust Fund provided only limited support for "other modes," approximately \$5 million per year. However, between FY2002 and FY2005 the General Assembly authorized the use of \$190 million of HTF cash balances for transit and rail. Under current law HTF support of transit and rail will revert to previous levels, leaving support of these modes to the Highway Fund at a time when the State's major metropolitan areas have committed to large transit projects to be funded with state support.
- **Funding and Priorities**
The Long Range Multimodal Plan approved by the Board of Transportation in 2004 calculates transportation needs over the next 25 years at \$84 billion, versus expected revenues of \$55 billion, leaving a gap of approximately \$30 billion. The

APPENDIX

Part 1: Legislation

- Highway Study Commission established in 1987 and made recommendations to the 1989 General Assembly
- Highway Trust Fund (HTF) law enacted in July 1989
- Purposes of Highway Trust Fund
 - Address a backlog of road improvement needs
 - Provide a safe and convenient network of 4-lane highways connecting major population centers to support statewide growth and economic development objectives
 - Construct loop and connector facilities in seven of the state's major urban areas to relieve congestion and enhance mobility
- Original Provisions
 - Define and complete intrastate system
 - 3600-mile network of 4-lane highways
 - 113 miles of Interstate improvements
 - Construct seven urban loops
 - Provide additional funds to pave unpaved secondary roads with more than 50 vehicles per day
 - Provide additional funds for municipal street systems
 - Establish Joint Legislative Transportation Oversight Committee
- Funding from motor fuels tax, Highway Use Tax, vehicle certificate of title fees and certain other fees, investment income earned by the HTF
- 1996 Bond Referendum
 - Authorized \$950 billion in bonds to accelerate construction
 - Bond sales completed Fall 2004
- 2001 Session - SB 1005 - Use of \$687 million of HTF cash balances over three years
 - Pavement preservation - \$470 million
 - Preliminary engineering - \$45 million
 - Traffic signal systems - \$45 million
 - Public transportation, etc. - \$120 million
 - Small construction projects - \$7 million
- North Carolina: Moving Ahead! SL 2003-383 - \$700 million over two years
 - Funded by sale of remaining HTF bonds
 - \$630 million for highway maintenance and modernization
 - \$70 million for public transportation, etc.
- SL 2003-284
 - Sec. 29.11 amended the list of urban loops to be constructed as part of the Highway Trust Fund
 - Sec. 29.22 authorized the use of Highway Trust Fund funds to meet State matching requirements to receive federal-aid highway funds

Part 3: Trust Fund Progress
(October 2004)

	Intrastate	% of System	Loops	% of System
1989 status				
Total system miles	3600	100%	211	100%
Miles already complete in 1989	1843	51%	0	0%
Estimated total miles to complete	1757	49%	211	100%
Estimated cost to complete	\$5.33 billion		\$2.11 billion	
Projected cost per mile	\$3.0 million		\$10.0 million	

Funds authorized as of FY 2004¹

\$5.03 billion

\$2.41 billion

Status excluding 2003 & 2004 Legislative changes

Total miles complete as of FY 2004	2671	74%	114	50%
Remaining miles to complete	926 ²	26%	112 ^b	50%
Estimated remaining costs (does <u>not</u> include preliminary engineering)	\$6.07 billion		\$2.15 billion	
Projected cost per mile	\$6.6 million		\$19.2 million	

Status including 2003 Legislative changes

Total miles complete as of FY 2004	2671	74%	114	36%
Remaining miles to complete	920 ^b	26%	202 ^b	64%
Estimated remaining costs (does <u>not</u> include preliminary engineering)	\$6.00 billion		\$3.20 billion ³	
Projected cost per mile	\$6.5 million		\$15.8 million	

Status including 2003 & 2004 Legislative changes

Total miles complete as of FY 2004	2671	74%	114	30%
Remaining miles to complete	962 ^b	26%	265 ^b	70%
Estimated remaining costs (does <u>not</u> include preliminary engineering)	\$6.44 billion		\$4.29 billion ^c	
Projected cost per mile	\$6.7 million		\$16.2 million	

¹ Includes preliminary engineering

² reflects mileage adjustments since 1989

³ Cost for Durham loop is not known and is not included in estimates of remaining costs

- NCDOT has limited enterprise level program management for managing and executing project delivery program.
- NCDOT is also hampered by difficulties in recruiting and retaining resources and by a “brain drain” created by the on-going loss of experienced, senior resources.

Major Findings

- **Limited Overall Program Delivery Accountability**
 - ▶ Weak accountability and reporting mechanisms to General Assembly, customers, and partners.
 - ▶ Limited senior level management oversight and control.
 - ▶ Need for a stronger management culture.
 - ▶ Absence of basic management information (e.g. progress against major milestones, schedule and budget status, etc.)
- **NCDOT not meeting delivery commitments**
 - ▶ Data analyzed for projects let during CY 2001 - 2003 indicates that actual construction costs on average doubled from the initial estimate when the project was put in the TIP.
 - ▶ TIP is not an effective multi-year delivery plan with wide variations between the year when a project is originally targeted for letting in the TIP and when it is actually let.
 - ▶ 12 month let list has limited usefulness in predicting when projects are actually let.
- **Limited accountability for projects and weak project management practices**
 - ▶ Absence of scope, schedule, and budget management controls, procedures, accountabilities, and metrics.
 - ▶ Need to apply project management principles and practices.
 - ▶ No formalized training or career path for Project Managers.
 - ▶ Need for standardized processes and a supporting Project Delivery manual.
 - ▶ Need for project management tools (e.g. quick access to budget and status information, templates, standards, best practices, etc.)
- **Need to build on successful environmental process improvements**
 - ▶ Merger 01 process is very positive – need to ensure process driven by work standards.
 - ▶ Collaborative working relationships have been established with state and federal resource agencies.
 - ▶ Resource agency data suggests on whole timely processing of permit applications.
 - ▶ NC may be doing more environmental documents than necessary.
 - ▶ EIS delivery times close to national average.
 - ▶ Potentially some EAs should have been done as an EIS.
 - ▶ 50+ environmental streamlining initiatives underway but fragmented – limited department-wide prioritization and coordination.

Environmental Processes

- Establish state-wide objectives for both environmental stewardship and transportation.
- Stabilize and further institutionalize Merger 01 process.
 - ▶ Document procedures.
 - ▶ Set timelines for issue resolution.
 - ▶ Provide meeting facilitation.
- Enterprise level prioritization, coordination, and management of 50+ other environmental initiatives to ensure focus.

NCDOT Staff Retention

- Conduct program level human resource planning
 - ▶ Identify staff bottlenecks.
 - ▶ Tie human resource decisions to needs of multi-year delivery plan.
 - ▶ Develop succession planning process.
- Establish recruiting and retention plan.
 - ▶ May require statute changes.

Consultant Procurement

- Shorten consultant procurement time.
- Establish a centralized procurement function to manage and administer all consultant contracts.
- Simplify consultant contract approval processes including considering increasing thresholds requiring BOT approval.

Review of Highway Trust Fund Project Delivery Status

- Report to the General Assembly on status of Highway Trust Fund projects.
- Develop a high level forecast on project readiness.

Highway Trust Fund Project Analysis Approach

- Inventory Highway Trust Fund Projects.
- Classify Highway Trust Fund projects in:
 - ▶ Not started.
 - ▶ In preconstruction.
 - ▶ In construction.
 - ▶ Completed.
- Classify projects according to type: Intrastate or loops.
- For projects in preconstruction, determine current Project Management Improvement Initiative (PMii) status based on project manager input.
- For projects in preconstruction, determine expected letting date based on project type and current milestone using:
 - ▶ PMii average duration on preconstruction projects.
 - ▶ Project manager's expected duration.

Mr. Sanderson further stated that he felt that the “pre” TIP concept would be beneficial because the cost overruns on a project come from not knowing the scope of the project ahead of time. Also, with regard to using an EIS, EA, or categorical exclusion for a project, DOT does a risk analysis to determine which one fits best for the project. They need to have the answers for questions and challenges that may come as a result of which document was used for the project.